

## **FISCAL NOTE**

### **HB 4183 - SB 4120**

February 15, 2008

**SUMMARY OF BILL:** Allocates state and local sales tax revenue, derived from the sale of admissions, concessions, parking, souvenirs, and other goods or services, occurring at any newly constructed stadium hosting Major League Baseball or minor league baseball (Class AA level or higher), to a metropolitan form of government with a population exceeding 500,000 (Nashville), for the exclusive purpose of paying debt service on the newly constructed stadium. Allocates state and local sales tax revenue, derived from lodging, parking, food and beverages, souvenirs, and other goods and services, occurring at any newly constructed hotel or restaurant built in direct connection with the newly constructed baseball stadium, to a metropolitan form of government with a population exceeding 500,000 (Nashville), for the exclusive purpose of paying debt service on the newly hotels or restaurants.

#### **ESTIMATED FISCAL IMPACT:**

**Other Fiscal Impact – If the newly constructed stadium is for the Nashville Sounds, and at least one hotel and one restaurant is built in conjunction with that new stadium, then a decrease of state revenue estimated to exceed \$600,000 per year, with an offsetting increase to local government (Nashville) revenue of the same amount. In addition, an unknown amount of foregone state revenue estimated to exceed \$100,000 per year, with an offsetting increase to local government (Nashville) revenue of the same amount. Such foregone state revenue results from expected incremental sales occurring at the newly-constructed stadium that were not present at the previous venue. If the newly constructed stadium is for a new minor league baseball team (Class AA or higher) or a Major League Baseball team, and at least one hotel and one restaurant is built in conjunction with that new stadium, then foregone state revenue estimated to exceed \$700,000 per year, with an offsetting increase to local government (Nashville) revenue of the same amount.**

Assumption:

- The only metropolitan form of government with a population exceeding 500,000 is Metro Nashville – Davidson County.

- The Department of Revenue has indicated a potential shift of state sales tax revenue from the General Fund to local government (Nashville) of at least \$700,000 per year.
- The fiscal impact of this bill is dependent upon multiple unknown factors such as the extent of total sales that would occur at any newly constructed baseball stadium, hotel, or restaurant, and whether or not the newly constructed stadium is for an existing minor league team in Nashville (the Nashville Sounds) or for a new minor league team (Class AA or higher) or for a Major League Baseball team.

**CERTIFICATION:**

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, reading "James W. White". The signature is fluid and cursive, with the first name "James" and last name "White" clearly legible.

James W. White, Executive Director

/rnc